



**THOMAS L. GARTHWAITE, M.D.**  
Director and Chief Medical Officer

**FRED LEAF**  
Chief Operating Officer

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES  
313 N. Figueroa, Los Angeles, CA 90012  
(213) 240-8101

**BOARD OF SUPERVISORS**

**Gloria Molina**  
First District

**Yvonne Brathwaite Burke**  
Second District

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**Michael D. Antonovich**  
Fifth District

August 5, 2004

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENTS NO. 2 TO TWO DIETARY SERVICES  
AGREEMENTS - NO. 70294 AT MARTIN LUTHER KING, JR./DREW MEDICAL  
CENTER AND NO. 70295 AT HARBOR-UCLA MEDICAL CENTER  
WITH MORRISON HEALTH CARE, INC.  
(2nd District) (3 votes)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

Approve and instruct the Chairman to sign the attached Amendments No. 2 to Agreement No. 70294 and Agreement No. 70295 with Morrison Health Care, Inc., to continue the provision of dietary services at Martin Luther King, Jr./Drew Medical Center for \$2,010,491 and Harbor-UCLA Medical Center for \$2,102,488 on a month-to-month basis, effective September 1, 2004 through February 28, 2005.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

In approving this action, the Board is authorizing the Chairman to sign Amendments No. 2 for existing agreements with Morrison Health Care, Inc., (Morrison) to continue the provision of dietary services, while a Request for Proposals process is completed.

The Department of Health Services (DHS) has been contracting out Dietary Services under provisions of County Code 2.121.250 et seq., "Contracting with Private Businesses"

(Proposition A), since October 1984. Dietary services are an integral part of the legitimate activities which must be provided by a hospital to perform its health care functions.

FISCAL IMPACT/FINANCING:

The maximum obligation of Amendment No. 2 for Martin Luther King, Jr./Drew Medical Center (King/Drew) is \$2,010,491 which represents an increase of \$26,768 and for Harbor-UCLA Medical Center (H-UCLA) is \$2,102,488 which represents an increase of \$65,212. A further explanation for the respective increases is found under Facts and Provisions/Legal Requirements.

Funds are available to support the amendments in the Department's Fiscal Year 2004-05 Adopted Budget. No additional net County cost is required.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On September 3, 1996, the Board approved Agreement No. 70294 for dietary services at King/Drew and Agreement No. 70295 for dietary services at H-UCLA to be effective September 1, 1996 through August 31, 2003, with provisions for a six-month automatic renewal, through February 29, 2004.

Amendment No. 1 was approved on February 17, 2004, extending the term of the Agreement from March 1, 2004 through August 31, 2004. Amendment No. 1 added all required contract provisions including jury service program, safely surrendered baby law, child support compliance and the living wage program.

Amendment No. 2 will add updated language for child support compliance and contractor responsibility and debarment, and extend the Agreement through February 28, 2005.

Morrison is providing approximately 540,000 patients meals annually at King/Drew and approximately 624,000 patient meals annually at H-UCLA.

The negotiated cost increase described above for King/Drew reflects increased contractor expenses in raw food, supplies, and labor which are partially offset by a decrease in equipment costs. The negotiated cost increases for H-UCLA are derived from increased contractor expenses in raw food, supplies, labor, and additional leased equipment, as well as significant increases in the area of enteral feedings due to a shift in provision of the enteral feedings from H-UCLA to the contractor. The Department has determined that the agreements continue to be cost-effective with these increases.

Contract monitoring functions will be performed by Administrative staff at each facility.

County Counsel has approved Amendment No. 2 as to form.

CONTRACTING PROCESS:

DHS is in the process of finalizing a competitive Request for Proposals (RFP) solicitation for dietary services at both King/Drew and H-UCLA, and expects that this RFP process will be completed by the end of this calendar year.

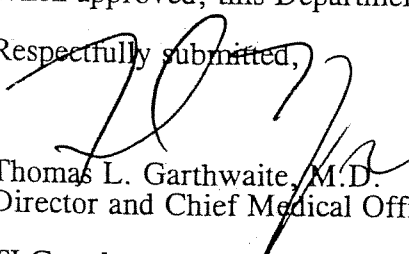
The Honorable Board of Supervisors  
August 5, 2004  
Page 3

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Board approval will allow for the continued provision of dietary services at King/Drew and H-UCLA during the solicitation of new dietary services contracts.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.  
Director and Chief Medical Officer

TLG:amb

Attachments (2)

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors

BLETCD3528.AMB  
07/20/04

**SUMMARY OF AGREEMENT**

1. **TYPE OF SERVICES:**

Dietary Services at King/Drew and H-UCLA.

2. **AGENCY ADDRESS AND CONTACT PERSON:**

Morrison Health Care, Inc.  
1727 Axenty Way  
Redondo Beach, CA 90278  
Attention: Edward M. Clark  
Telephone: (310) 798-4017

3. **TERM:**

The term of Amendments No. 2 to Agreement No. 70294 and No. 70295 is September 1, 2004 through February 28, 2005.

4. **FINANCIAL INFORMATION:**

Funds are available in the DHS Fiscal Year 2004-05 Adopted Budget. The total maximum obligation for the six- month extension for King/Drew is \$2,010,491 and H-UCLA is \$2,102,488, for a total maximum obligation of \$4,112,979.

5. **PERSON ACCOUNTABLE FOR PROGRAM MONITORING:**

Hospital Administration at each facility.

6. **GEOGRAPHIC AREA SERVED:**

2nd District

7. **APPROVALS:**

H-UCLA Medical Center:	Tecla Mickoseff, CEO
King/Drew Medical Center:	Dave Runke, Interim CEO
Contracts Administration:	Irene E. Riley, Director
County Counsel (approval as to form):	Elizabeth Friedman, Senior Deputy County Counsel

EXHIBIT I

Contract No. 70294

DIETARY SERVICES AGREEMENT  
KING/DREW MEDICAL CENTER

AMENDMENT NO. 2

THIS AMENDMENT is made and entered into this \_\_\_\_\_ day  
of \_\_\_\_\_, 2004,

by and between

COUNTY OF LOS ANGELES  
(hereafter "County"),

and

MORRISON HEALTH CARE, INC.  
(hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled  
"DIETARY SERVICES AGREEMENT", dated September 3, 1996, and  
further identified as County Agreement 70294, and extension  
letter dated August 20, 2003, and Amendment No. 1 to Agreement  
(hereafter referred to as "Agreement"); and

WHEREAS, it is the intent of the parties to amend Agreement  
to extend its term and to make the changes described hereinafter;  
and

WHEREAS, Agreement provides that changes may be made in  
the form of a written amendment which is formally approved and  
executed by the parties.

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall become effective September 1, 2004.

2. The term of this Agreement is hereby extended on a month-to-month basis, for a maximum of six (6) months, from September 1, 2004 through February 28, 2005, unless sooner terminated by County.

3. That Schedule 2 be replaced with Schedule 3, attached hereto as reference.

4. That Paragraph 69, CONTRACTOR RESPONSIBILITY AND DEBARMENT, of the body of the Agreement be revised as follows:

"69. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

A. A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the County's policy to conduct business only with responsible Contractors.

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor on this Agreement or other Agreements which indicates that Contractor is not responsible, County may in addition to other remedies provided in the Agreement, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County Agreements for a specified period of time not to exceed

three (3) years, and terminate any or all existing Agreements Contractor may have with County.

C. County may debar a Contractor if the Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated a term of an Agreement with County or a nonprofit corporation created by County, (2) committed an act or omission which negatively reflects on the Contractor's quality, fitness, or capacity to perform an Agreement with County any other public entity, or a nonprofit corporation created by County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

D. If there is evidence that Contractor may be subject to debarment, Director will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's

representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Hearing Board.

G. These terms shall also apply to (sub-contractors/subconsultants) of County Contractors."

5. That Paragraph 71, CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM, of the body of the Agreement be revised as follows:

"71. CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM: Contractor acknowledges that County has established a goal of ensuring that all



individuals who benefit financially from County through Agreement are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Contractor's duty under this Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the term of this Agreement maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholdings Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family, or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

6. That Paragraph 72, TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM, of the body of the Agreement be revised as follows:

"72. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM:

Failure of Contractor to maintain compliance with the requirements set forth in "Contractor's Warranty of Adherence to County's Child Support Compliance Program" Paragraph 71, immediately above, shall constitute default by Contractor under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure of Contractor to cure such default within ninety (90) calendar days of written notice shall be grounds upon which County may terminate this Agreement pursuant to the "Termination for Default" paragraph of this Agreement and pursue debarment of Contractor, pursuant to County Code Chapter 2.202."

7. Except for the changes set forth here-in-above, the wording of Agreement shall not be changed in any respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Chairman and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Chairman, Board of Supervisors

ATTEST:

MORRISON HEALTH CARE, INC.  
Contractor

VIOLET VARONA-LUKENS, Executive  
Officer of the Board of  
Supervisors of the County of  
Los Angeles

By \_\_\_\_\_  
Title \_\_\_\_\_

By: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM  
BY THE OFFICE OF THE COUNTY COUNSEL:

By: \_\_\_\_\_  
Deputy

APPROVED AS TO CONTRACT  
ADMINISTRATION:

Department of Health Services

By: \_\_\_\_\_  
Irene E. Riley, Director  
Contract Administration

AMENDCD3526.AMB  
07/19/04

**SCHEDULE 3**

CONTRACTOR'S BUDGET AND COUNTY'S CHARGE SCHEDULE

Contractor's Six-Month Budget (September 1, 2004 through  
February 28, 2005) to Deliver 39,001 - 45,000 Meals Per  
Calendar Month - King/Drew Medical Center

Labor Costs	\$ 1,194,183
Raw Food Costs	\$ 411,019
Materials; Services and Supplies	\$ 114,000
Equipment Costs	\$ 7,770
Utilities	\$ 1,867
Management Fee and Administrative Costs	\$ 160,099
Sales Tax Liability	\$ 50,037

A.	Contractor's Six Month Budget (September 1, 2004 - February 28, 2005):	\$ 1,938,975
B.	Special Function Meals	\$ 42,000
	Incidental Supplies	\$ 2,683
	Tube Feedings	\$ 26,833
	Total Six-Month Budget Extension	\$ 2,010,491

EXHIBIT I

Contract No. 70295

**DIETARY SERVICES AGREEMENT**  
**HARBOR-UCLA MEDICAL CENTER**

AMENDMENT NO. 2

THIS AMENDMENT is made and entered into this \_\_\_\_\_ day  
of \_\_\_\_\_, 2004,

by and between

COUNTY OF LOS ANGELES  
(hereafter "County"),

and

MORRISON HEALTH CARE, INC.  
(hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled  
"DIETARY SERVICES AGREEMENT", dated September 3, 1996, and  
further identified as County Agreement 70295, and extension  
letter dated August 20, 2003, and Amendment No. 1 to Agreement  
(hereafter referred to as "Agreement"); and

WHEREAS, it is the intent of the parties to amend Agreement  
to extend its term and to make the changes described hereinafter;  
and

WHEREAS, Agreement provides that changes may be made in  
the form of a written amendment which is formally approved and  
executed by the parties.

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall become effective September 1, 2004.

2. The term of this Agreement is hereby extended on a month-to-month basis, for a maximum of six (6) months, from September 1, 2004 through February 28, 2005, unless sooner terminated by County.

3. That Schedule 2 be replaced with Schedule 3, attached hereto as reference.

4. That Paragraph 69, CONTRACTOR RESPONSIBILITY AND DEBARMENT, of the body of the Agreement be revised as follows:

"69. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

A. A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the County's policy to conduct business only with responsible Contractors.

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor on this Agreement or other Agreements which indicates that Contractor is not responsible, County may in addition to other remedies provided in the Agreement, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County Agreements for a specified period of time not to exceed

three (3) years, and terminate any or all existing Agreements Contractor may have with County.

C. County may debar a Contractor if the Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated a term of an Agreement with County or a nonprofit corporation created by County, (2) committed an act or omission which negatively reflects on the Contractor's quality, fitness, or capacity to perform an Agreement with County any other public entity, or a nonprofit corporation created by County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

D. If there is evidence that Contractor may be subject to debarment, Director will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's

representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Hearing Board.

G. These terms shall also apply to (sub-contractors/subconsultants) of County Contractors."

5. That Paragraph 71, CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM, of the body of the Agreement be revised as follows:

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7. Except for the changes set forth here-in-above, the wording of Agreement shall not be changed in any respect by this Amendment.

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COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Chairman, Board of Supervisors

ATTEST:

MORRISON HEALTH CARE, INC.  
Contractor

VIOLET VARONA-LUKENS, Executive  
Officer of the Board of  
Supervisors of the County of  
Los Angeles

By \_\_\_\_\_  
Title \_\_\_\_\_

By: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM  
BY THE OFFICE OF THE COUNTY COUNSEL:

By: \_\_\_\_\_  
Deputy

APPROVED AS TO CONTRACT  
ADMINISTRATION:

Department of Health Services

By: \_\_\_\_\_  
Irene E. Riley, Director  
Contract Administration

AMENDCD3527.AMB  
07/19/04

**SCHEDULE 3**

CONTRACTOR'S BUDGET AND COUNTY'S CHARGE SCHEDULE

Contractor's Six-Month Budget (September 1, 2004 through  
February 28, 2005) to Deliver 47,001 - 52,000 Meals Per  
Calendar Month - H-UCLA Medical Center

Labor Costs	\$ 1,246,178
Raw Food Costs	\$ 453,717
Materials; Services and Supplies	\$ 141,615
Equipment Costs	\$ 18,000
Utilities - Telephone	\$ 482
Management Fee and Administrative Costs	\$ 96,666
Sales Tax Liability	\$ 60,330

A.	Contractor's Six Month Budget (September 1, 2004 - February 28, 2005):	\$ 2,016,988
B.	Special Function Meals	\$ 32,500
	Incidental Supplies	\$ 8,500
	Tube Feedings	\$ 35,000
	Linen	9,500
	Total Six-Month Budget Extension	\$ 2,102,488